19.3.2019

AMENDMENTS 001-062
by the Committee on Industry, Research and Energy

Report
Flavio Zanonato A8-0039/2018
Risk-preparedness in the electricity sector


Amendment 1
Proposal for a regulation
Recital 1

Text proposed by the Commission
(1) The electricity sector in the Union is undergoing a profound transformation, characterised by more decentralised markets with more players, **better interlinked systems and** a higher proportion of renewable energy. In response, Directive xxx/ Regulation xxx [Reference to the proposed Electricity Directive and Electricity Regulation] aim to upgrade the legal framework governing the Union's internal electricity market, so as to ensure that markets and networks function in an optimal manner, to the benefit of businesses and **consumers**.

Amendment
(1) The electricity sector in the Union is undergoing a profound transformation, characterised by more decentralised markets with more players, a higher proportion of renewable energy **and better interlinked systems which, however, are still insufficient**. In response, Directive xxx/ Regulation xxx [Reference to the proposed Electricity Directive and Electricity Regulation] aim to upgrade the legal framework governing the Union's internal electricity market, so as to ensure that markets and networks function in an optimal manner, to the benefit of businesses and **Union citizens**. **This Regulation is intended to contribute to the implementation of the objectives of the Energy Union, which rests on solidarity, a principle enshrined in Article 194 of the Treaty on the Functioning of the European Union.**
Amendment 2
Proposal for a regulation
Recital 2

Text proposed by the Commission

(2) Well-functioning markets and systems are the best guarantee of security of supply. However, even where markets and systems function well, the risk of an electricity crisis (as a result of extreme weather conditions, malicious attacks or a fuel shortage) can never be excluded. The consequences of crisis situations often extend beyond national borders. Even where incidents start locally their effects can rapidly spread across borders. Some extreme circumstances, such as a cold spell, a heat wave or a cyber-attack, may affect entire regions at the same time.

Amendment

(2) The security of supply in the Union is best guaranteed through well-functioning markets and systems with developed and technologically-modern electricity interconnections, ensuring free flow of energy across borders, energy efficiency measures and further development of renewable energy sources. However, even where markets and systems function well and are interconnected, the risk of an electricity crisis (especially as a result of extreme weather conditions, malicious attacks or a fuel shortage) can never be excluded. The consequences of crisis situations often extend beyond national borders. Even incidents which start locally can rapidly have a cross-border effect. Some extreme circumstances, such as a cold spell, a heat wave or a cyber-attack, may affect entire regions at the same time.

Amendment 3
Proposal for a regulation
Recital 3

Text proposed by the Commission

(3) In a context of interlinked electricity markets and systems, crisis prevention and management cannot be considered a purely national responsibility. A common framework of rules and coordinated procedures are needed, to ensure that Member States and other actors cooperate effectively across borders in a spirit of transparency and solidarity.

Amendment

(3) In a context of interlinked electricity markets and systems, crisis prevention and management cannot be considered a purely national responsibility and the potential of more efficient and less costly measures through regional cooperation should be better exploited. A common framework of rules and better coordinated procedures are needed, to ensure that Member States and other actors cooperate effectively across
borders and increase transparency, trust and solidarity between Member States.

Amendment 4

Proposal for a regulation
Recital 5

Text proposed by the Commission

(5) The System operation guidelines\(^{24}\) and the Network code on emergency and restoration\(^{25}\) constitute a detailed rulebook governing how transmission system operators and other relevant actors should act and cooperate to ensure system security. These technical rules should ensure that most electricity incidents are dealt with effectively at operational level. This Regulation focuses on electricity crisis situations that may have a larger scale and impact. It sets out what Member States should do to prevent such situations and what measures they can take should system operational rules alone no longer suffice. Even in crisis situations, however, system operation rules should continue to be fully respected.

Amendment

(5) The System operation guidelines\(^{24}\) and the Network code on emergency and restoration\(^{25}\) constitute a detailed rulebook governing how transmission system operators and other relevant actors should act and cooperate to ensure system security. These technical rules should ensure that electricity incidents are dealt with effectively at operational level. This Regulation focuses on electricity crisis situations that may have a larger scale and impact. It sets out what Member States should do to prevent such situations and what measures they can take should system operational rules alone no longer suffice. Even in crisis situations, however, system operation rules should continue to be fully respected and consistency between the provisions of this Regulation and the network code on emergency and restoration should be ensured.

---

\(^{24}\) Commission Regulation (EU) \ldots/\ldots of XXX establishing a guideline on electricity transmission system operation, OJ [...]

\(^{25}\) Commission Regulation (EU) \ldots/\ldots of XXX establishing a network code on electricity emergency and restoration, OJ [...].
(6) This Regulation sets out a common framework of rules on how to prevent, prepare for and manage electricity crisis situations, bringing more transparency in the preparation phase and during an electricity crisis and ensuring that, even in a crisis, electricity is delivered where it is needed most. It requires Member States to cooperate at regional level, in a spirit of solidarity. It also sets out a framework for an effective monitoring of security of supply in Europe via the Electricity Coordination Group. This should result in better risk preparedness at a lower cost. It should also strengthen the internal energy market by enhancing trust and confidence across Member States and ruling out inappropriate state interventions in crisis situations, in particular avoiding undue curtailment of cross-border flows.

Amendment 6
Proposal for a regulation
Recital 10

Text proposed by the Commission

(10) To facilitate prevention, information exchange and ex-post evaluation of electricity crises, Member States should designate one competent authority as a contact point. This may be an existing or new entity.

Amendment

(10) Security of supply is a shared responsibility among many actors, with each having a clearly defined role to play in the management of electricity systems. Distribution systems operators and transmission system operators play a key role in ensuring a secure, reliable and efficient electricity system in accordance
with Articles 31 and 40 of Directive (EU) .../... of the European Parliament and of the Council [proposed Electricity Directive, COD 2016/380]. The regulatory authorities and other relevant national authorities also play an important role in ensuring and monitoring the security of electricity supply, as part of their tasks attributed by Article 59 of Directive (EU) .../... [proposed Electricity Directive]. With the aim of ensuring transparent and inclusive participation of all the actors involved, efficient preparation and proper implementation of the risk preparedness plans and the regional agreements, as well as facilitating prevention, information exchange and ex-post evaluation of electricity crises, Member States should designate a single competent national governmental or regulatory authority as a contact point. This may be an existing or new entity.

Amendment 7
Proposal for a regulation
Recital 10 a (new)

Text proposed by the Commission

(10 a) A common approach to crisis prevention and management requires a common definition of the electricity crisis. In order to overcome the current divergent approaches across the Union, this Regulation should define an electricity crisis, in broad terms, as a situation in which a significant shortage of or an impossibility to deliver electricity is present or imminent. Member States should be required to identify concrete electricity crisis scenarios at the regional and national level and subsequently identify concrete measures to address such situations in their risk preparedness plans. That approach should ensure that all possible crisis situations are covered, taking into account regional and national
specificities such as the topography of the grid, the electricity mix, the size of production and consumption and the dispersion of population.

**Justification**

Currently, there is no common view across Europe of what a crisis situation means and entails. Therefore, and with the view of enabling Member States to define/quantify in their national risk preparedness plans what a 'significant electricity shortage' or an 'impossibility to deliver' means in concrete terms, the definition of 'crisis situation' needs to be broad so to cover all possible crisis situations across Europe.

**Amendment 8**

Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) A common approach to crisis prevention and management requires, above all, that Member States use the same methods and definitions to identify risks relating to the security of electricity supply and are in a position effectively to compare how well they and their neighbours perform in that area. The Regulation identifies two indicators to monitor the security of electricity supply in the Union: 'expected energy non served' (EENS), expressed in GWh/year, and 'loss of load expectation' (LOLE), expressed in hours/year. These indicators are part of the European resource adequacy assessment carried out by the European Network of Transmission System Operators for Electricity (ENTSO-E), pursuant to [Article 19 of the proposed Electricity Regulation]. The Electricity Coordination Group shall carry out regular monitoring of the security of supply based on the results of these indicators. The Agency for the Cooperation of Energy Regulators (Agency) should also use these indicators, when reporting on Member States' performance in the area of security of supply in its annual electricity market monitoring reports, pursuant to [Article 16 of the proposed ACER Regulation].

Amendment

(11) There is a need for Member States to use common methods and definitions to identify risks relating to the security of electricity supply, allowing them to effectively compare how well they and their neighbours perform in that area. The Regulation identifies two indicators to monitor the security of electricity supply in the Union: 'expected energy non served' (EENS), expressed in GWh/year, and 'loss of load expectation' (LOLE), expressed in hours/year. These indicators are part of the European resource adequacy assessment carried out by the European Network of Transmission System Operators for Electricity (ENTSO-E), pursuant to [Article 19 of the proposed Electricity Regulation]. The Electricity Coordination Group shall carry out regular monitoring of the security of supply based on the results of these indicators. The Agency for the Cooperation of Energy Regulators (Agency) should also use these indicators, when reporting on Member States' performance in the area of security of supply in its annual electricity market monitoring reports, pursuant to [Article 16 of the proposed ACER Regulation].
of the proposed ACER Regulation].

Amendment 9
Proposal for a regulation
Recital 12

Text proposed by the Commission

(12) To ensure the coherence of risk assessments that build trust between Member States in a crisis situation a common approach to identifying risk scenarios is needed. Therefore, ENTSO-E should develop a common methodology for risk identification in cooperation with the Agency, with ENTSO-E proposing the methodology and the Agency approving it.

Amendment

(12) To ensure coherence in the assessment of risk and build trust between Member States in a crisis situation, a common approach to identify risk scenarios is needed. Therefore, after consulting the relevant stakeholders including generators of both conventional and renewable energy, ENTSO-E should develop and regularly update a common methodology for risk identification in cooperation with the Agency, with ENTSO-E proposing the methodology and the updates thereof, and the Agency approving it.

Amendment 10
Proposal for a regulation
Recital 13

Text proposed by the Commission

(13) On the basis of this common methodology, ENTSO-E should regularly draw up and update regional crisis scenarios and identify the most relevant risks for each region such as extreme weather conditions, natural disasters, fuel shortages or malicious attacks. When considering the crisis scenario of gas fuel shortage, the risk of gas supply disruption should be assessed based on the gas supply and infrastructure disruption scenarios developed by the European Network of Transmission System Operators for Gas pursuant to Article 6.6 of the Gas Security of Supply Regulation [proposed Gas Security of Supply Regulation]. Member

Amendment

(13) On the basis of this common methodology, ENTSO-E should regularly draw up and update regional crisis scenarios and identify the most relevant risks for each region such as extreme weather conditions, natural disasters, fuel shortages or malicious attacks. When considering the crisis scenario of gas fuel shortage, the risk of gas supply disruption should be assessed based on the gas supply and infrastructure disruption scenarios developed by the European Network of Transmission System Operators for Gas pursuant to Article 6.6 of the Gas Security of Supply Regulation [proposed Gas Security of Supply Regulation]. In order to
States should establish and update their national crisis scenarios on this basis, in principle every three years. The scenarios should provide the basis for the risk-preparedness plans. When identifying risks on national level the Member States should also describe possible risks they see in relation to the ownership of infrastructure relevant for security of supply, and possible measures taken, if any, to address such risks (such as general or sector-specific investment screening laws, special rights for certain shareholders, etc.), with an indication why in their view such measures are justified.

reinforce the regional approach to risk-assessment, ENTSO-E should be able to delegate tasks related to the identification of regional crisis scenarios to regional coordination centres. Member States should, on the basis of those regional crisis scenarios, establish and update their national crisis scenarios, in principle every three years. The scenarios should then provide the basis for the risk-preparedness plans. When identifying risks on national level the Member States should also describe possible risks they see in relation to the ownership of infrastructure relevant for security of supply, and any measures taken, to address such risks (such as general or sector-specific investment screening laws, special rights for certain shareholders, etc.), with an indication why in their view such measures are considered to be necessary and proportionate.

Amendment 11

Proposal for a regulation

Recital 15

(15) As stated in the [proposed Electricity Regulation], the regional operational centres should regularly assess relevant risks as they are entrusted with the operational management of such situations. To ensure that they can carry out their tasks effectively and act in close cooperation with relevant national authorities with a view to preventing and mitigating larger-scale incidents, the regional cooperation required under this Regulation should build on the regional cooperation structures used at technical level, namely the groups of Member States sharing the same regional operational centre.

Amendment

(15) As stated in the [proposed Electricity Regulation], the regional coordination centres should regularly assess relevant risks as they are entrusted with the operational management of such situations. To ensure that they can carry out their tasks effectively and act in close cooperation with relevant national authorities with a view to preventing and mitigating larger-scale incidents, the regional cooperation required under this Regulation should build on the regional cooperation structures used at technical level, namely the groups of Member States sharing the same regional coordination centre.
Justification

This amendment applies throughout the text. Adopting it will necessitate corresponding changes throughout.

Amendment 12

Proposal for a regulation
Recital 16

Text proposed by the Commission

(16) The [proposed Electricity Regulation] prescribes the use of a common methodology for the medium to long-term European resource adequacy assessment (from 10 year-ahead to year ahead), with a view to ensuring that Member States' decisions as to possible investment needs are made on a transparent and commonly agreed basis. This assessment has a different purpose than the short-term adequacy assessments which are used to detect possible adequacy related problems in short time-frames, namely seasonal outlooks (six months ahead) and week-ahead to intraday adequacy assessments. Regarding short-term assessments, there is a need for a common approach to the way possible adequacy-related problems are detected. The ENTSO-E is to issue winter and summer outlooks to alert Member States and transmission system operators to security of supply related risks that might occur in the following six months. To improve these outlooks, they should be based on a common probabilistic methodology proposed by ENTSO-E and approved by the Agency. In order to reinforce the regional approach to assessing risks, ENTSO-E should be able to delegate tasks related to seasonal outlooks to regional operational centres.

Amendment

(16) The [proposed Electricity Regulation] prescribes the use of a common methodology for the medium to long-term European resource adequacy assessment (from 10 year-ahead to year ahead), with a view to ensuring that Member States' decisions as to possible investment needs are made on a transparent and commonly agreed basis. This assessment has a different purpose than the short-term adequacy assessments which are used to detect possible adequacy related problems in short time-frames, namely seasonal outlooks (six months ahead) and week-ahead to intraday adequacy assessments. Regarding short-term assessments, there is a need for a common approach to the way possible adequacy-related problems are detected. The ENTSO-E is to issue winter and summer outlooks to alert Member States and transmission system operators to security of supply related risks that might occur in the following six months. To improve these outlooks, they should be based on a common probabilistic methodology proposed by ENTSO-E, after consulting the relevant stakeholders, including environmental organisations and academia, and approved by the Agency and updated on a regular basis. In order to reinforce the regional approach to assessing risks, ENTSO-E should be able to delegate tasks related to seasonal outlooks to regional operational centres.
Amendment 13
Proposal for a regulation
Recital 18

Text proposed by the Commission

(18) To ensure a common approach to crisis prevention and management, the competent authority of each Member State should draw up a risk-preparedness plan, after consulting stakeholders. The plans should describe effective, proportionate and non-discriminatory measures addressing all identified crisis scenarios. Plans should provide transparency especially as regards the conditions in which non-market measures can be taken to mitigate crisis situations. All envisaged non-market measures should comply with the rules set out in this Regulation.

Amendment

(18) To ensure a common approach to crisis prevention and management, the competent authority of each Member State should, on the basis of the regional and national electricity crisis scenarios identified, draw up a risk-preparedness plan, after consulting relevant stakeholders. The plans should describe effective, proportionate and non-discriminatory measures addressing all identified crisis scenarios. Plans should provide transparency especially as regards the conditions in which non-market measures are considered necessary to mitigate crisis situations. All envisaged non-market measures should comply with the rules set out in this Regulation.

Amendment 14
Proposal for a regulation
Recital 20

Text proposed by the Commission

(20) Plans should be updated regularly. To ensure that the plans are always up-to-date and effective, the competent authorities of each region should organise annual simulations in cooperation with regional operational centres to test their suitability.

Amendment

(20) Plans should be updated regularly and made public, while ensuring confidentiality of sensitive information. To ensure that the plans are always up-to-date and effective, the competent authorities of each region should organise annual simulations in cooperation with regional operational centres to test their suitability.

Amendment 15
Proposal for a regulation
Recital 28

Text proposed by the Commission

(28) In 2012, the Electricity Coordination Group was created as a forum to exchange information and foster co-operation across Member States, in particular in the area of security of supply. Through this Regulation, its role is reinforced. It should carry out specific tasks, notably in connection with the preparation of the risk-preparedness plans, and will have a prominent role in monitoring Member States' performance in the area of the security of electricity supply, and developing best practice on this basis.

Amendment

(28) In 2012, the Electricity Coordination Group was created as a forum to exchange information and foster co-operation across Member States, in particular in the area of security of supply. Through this Regulation, its role is reinforced. It should carry out specific tasks, notably in connection with the preparation of the risk-preparedness plans, and will have a prominent role in monitoring Member States' performance in the area of the security of electricity supply, and developing best practice on this basis. The Commission should take appropriate measures to ensure that the composition of the Electricity Coordination Group is revised to include new stakeholders such as industry, the EU DSO and consumer organisations.


Proposal for a regulation
Recital 29

Text proposed by the Commission

(29) An electricity crisis might extend beyond Union borders comprising also Energy Community countries. In order to ensure an efficient crisis management on borders between the Member States and the Contracting Parties, the Union should closely cooperate with the Energy Community Contracting Parties when preventing, preparing for and handling an

Amendment

(29) An electricity crisis might extend beyond Union borders comprising also Energy Community countries. As Party to the Energy Community Treaty, the Union should promote amendments to that Treaty with the aim of creating an integrated market and a single regulatory space by providing and appropriate and stable regulatory framework. In order to
electricity crisis.

ensure an efficient crisis management on borders between the Member States and the contracting Parties to the Energy Community Treaty, the Union should closely cooperate with the Energy Community Contracting Parties when preventing, preparing for and handling an electricity crisis.

Amendment 17

Proposal for a regulation
Article 1 – paragraph 1

Text proposed by the Commission
This Regulation lays down rules for the cooperation between Member States in view of preventing, preparing for and handling electricity crises in a spirit of solidarity and transparency and in full regard for the requirements of a competitive internal market for electricity.

Amendment
This Regulation lays down rules for the cooperation between Member States in view of preventing, preparing for and handling electricity crises in a spirit of solidarity and transparency, in full regard for the requirements of a competitive internal market for electricity and in line with the Union’s energy and climate objectives.

Justification

The broader context should include references to the strategic objectives of the Union in this area.

Amendment 18

Proposal for a regulation
Article 2 – paragraph 2 – point b

Text proposed by the Commission
(b) 'electricity crisis' means a situation of significant electricity shortage or impossibility to deliver electricity to end-consumers, either existent or imminent;

Amendment
(b) 'electricity crisis' means a situation of significant electricity shortage or impossibility to deliver electricity to end-consumers, either existent or imminent, based on parameters defined in national and regional crisis scenarios;

Amendment 19
Proposal for a regulation
Article 2 – paragraph 2 – point c a (new)

Text proposed by the Commission

Amendment

(c) ‘competent authority’ means a national governmental authority or a regulatory authority designated by a Member State to ensure the implementation of the measures provided for in this Regulation

Justification

A definition of ‘competent authority’ should be added, in line with the definition used in the Regulation for security of gas supply

Amendment 20

Proposal for a regulation
Article 2 – paragraph 2 – point e

Text proposed by the Commission

Amendment

(e) ‘non-market measure’ means any supply- or demand-side measure deviating from market rules or commercial agreements, with a view to mitigate an electricity crisis;

(e) ‘non-market measure’ means any supply-side, network-side or demand-side measure deviating from market rules or commercial agreements, with a view to mitigate an electricity crisis;

Justification

It is important to include measures applied on network side in this definition, to clearly state that for instance curtailment of available interconnection capacities or already allocated cross-zonal capacity is a non-market based measure and shall be avoided.

Amendment 21

Proposal for a regulation
Article 2 – paragraph 2 – point f a (new)

Text proposed by the Commission

Amendment

(fa) ‘macro-region’ means a group of Member States engaged in a structured macro-regional partnership, pursuant to Article 2(18)(a) of Regulation (EU) ... [proposed Governance of the Energy]
Amendment 22

Proposal for a regulation
Article 3 – paragraph 2

Text proposed by the Commission

2. Member States shall notify the Commission without delay of the name and the contact details of the competent authority, once designated.

Amendment

2. Each Member State shall, without delay, notify the Commission, and make public, the name and the contact details of its competent authority and any changes thereto.

Amendment 23

Proposal for a regulation
Article 4 – paragraph 1

Text proposed by the Commission

Member States shall ensure that all risks relating to security of electricity supply are assessed in accordance with the rules set out in this Regulation and Article 18 of the Electricity Regulation [proposed Electricity Regulation]. To this end, they shall cooperate with ENTSO-E and the regional operational centres.

Amendment

Member States shall ensure that all risks relating to security of electricity supply are assessed in accordance with the rules set out in this Regulation and the European resource adequacy assessment set out in Chapter IV of Regulation (EU) ... [proposed Electricity Regulation]. Security of electricity supply shall imply effective cooperation amongst relevant stakeholders, Member States, primarily through their competent authorities, the regional coordination centres, and the Commission with the Union’s other institutions and bodies, all within their respective areas of activity and competence. To this end, they shall cooperate with ENTSO-E and the regional operational centres, the transmission system operators, the national regulatory authorities and other relevant stakeholders.
Amendment 24

Proposal for a regulation
Article 5 – paragraph 1

Text proposed by the Commission

1. By [OPOCE to insert exact date: two months after entry into force of this Regulation], ENTSO-E shall submit to the Agency a proposal for a methodology for identifying the most relevant electricity crisis scenarios in a regional context.

Compromise Amendment

1. By [OPOCE to insert exact date: four months after entry into force of this Regulation], ENTSO-E shall submit to the Agency a proposal for a methodology for identifying the most relevant electricity crisis scenarios in a regional context.

Amendment 25

Proposal for a regulation
Article 5 – paragraph 4

Text proposed by the Commission

4. Before submitting the proposed methodology, ENTSO-E shall conduct a consultation exercise involving at least the industry and consumer organisations, distribution system operators, national regulatory authorities and other national authorities. ENTSO-E shall duly take into account the results of the consultation.

Amendment

4. Before submitting the proposed methodology, ENTSO-E shall conduct a consultation exercise involving at least the regional coordination centres, industry and consumer organisations, generators, the transmission system operators, the distribution system operators, the competent authorities, the national regulatory authorities, other national authorities and other relevant stakeholders. ENTSO-E shall duly take into account the result of the consultation.

Amendment 26

Proposal for a regulation
Article 5 – paragraph 6

Text proposed by the Commission

6. ENTSO-E shall update and improve the methodology regularly in accordance with paragraphs 1 to 5. The Agency or the Commission may request such updates and improvements with due justification. Within six months from the request,

Amendment

6. ENTSO-E shall update and improve the methodology regularly in accordance with paragraphs 1 to 5. The Agency or the Commission may request such updates and improvements with due justification. Within a period of two months from the
ENTSO-E shall submit to the Agency a draft of the proposed changes. Within a period of two months of receiving the draft, the Agency shall amend or approve the changes and publish it on its website.

Amendment 27

Proposal for a regulation
Article 6 – paragraph 1

Text proposed by the Commission

1. By [OPOCE to insert exact date: ten months after entry into force of this Regulation] and on the basis of the methodology adopted pursuant to Article 5, ENTSO-E shall identify the most relevant electricity crisis scenarios for each region. It may delegate tasks relating to the identification of regional crisis scenarios to the regional operational centres.

Amendment

1. By [OPOCE to insert exact date: ten months after the date of entry into force of this Regulation] and on the basis of the methodology adopted pursuant to Article 5, ENTSO-E shall identify, in close cooperation with the Electricity Coordination Group, the most relevant electricity crisis scenarios for each region. It may delegate tasks relating to the identification of regional crisis scenarios to the regional coordination centres. The regional coordination centres shall consult the Electricity Coordination Group for that purpose. When identifying the risk scenarios related to malicious attacks, ENTSO-E and the regional coordination centres shall ensure that the confidentiality of sensitive information is preserved.

Amendment 28

Proposal for a regulation
Article 7 – paragraph 1

Text proposed by the Commission

1. By [OPOCE to insert exact date: ten months after entry into force of this Regulation], Member States shall identify the most relevant electricity crisis scenarios at the national level.

Amendment

1. By [OPOCE to insert exact date: twelve months after the date of entry into force of this Regulation], Member States shall identify the most relevant electricity crisis scenarios at the national level, with
at least the involvement of the distribution system operators, the transmission system operators and generators, whilst ensuring the confidentiality of sensitive information.

Amendment 29
Proposal for a regulation
Article 7 a (new)

Text proposed by the Commission

Amendment

Article 7a

Guidelines for the prevention and handling of crises

1. Taking into account the European adequacy assessment as well as other relevant regulations, the Agency for the Co-operation of Energy Regulators shall draft the Union-wide guidelines for the prevention and handling crises situations, identifying both market and non-market measures and system operational rules. When preparing the guidelines, the Agency shall give preference, as far as possible, to measures that have least impact on the environment.

2. The guidelines shall also include the principles of compensation schemes and principles for identifying protected customers.

3. The Agency shall review and, if necessary, update those solutions every three years, unless circumstances warrant more frequent reviews.

Justification

The common solutions on how to handle crises should be helpful when drafting national plans. They would ensure coherence among the plans and facilitate agreements among Member States negotiating regional part of their plans. There is a need for EU-level harmonisation of the definition of protected customers in order to ensure protection of the most vulnerable and essential elements of society as well as to facilitate cross-border solidarity measures, as stipulated in Art 14 of this regulation.
Amendment 30
Proposal for a regulation
Article 8 – title

Text proposed by the Commission
Methodology for short-term adequacy assessments

Amendment
Methodology for short-term and seasonal adequacy assessments

Amendment 31
Proposal for a regulation
Article 8 – paragraph 1 – subparagraph 1 – introductory part

Text proposed by the Commission
By [OPOCE to insert exact date: two months after entry into force of this Regulation], ENTSO-E shall submit to the Agency a proposal for a methodology for assessing short-term adequacy, namely seasonal adequacy as well as week-ahead to intraday adequacy, which shall cover at least the following:

Amendment
By [OPOCE to insert exact date: four months after the date of entry into force of this Regulation], ENTSO-E shall submit to the Agency a proposal for a methodology for assessing short-term and seasonal adequacy, which shall cover at least the following:

Amendment 32
Proposal for a regulation
Article 8 – paragraph 1 – subparagraph 1 – point a

Text proposed by the Commission
(a) the uncertainty of inputs such as the probability of a transmission capacity outage, the probability of an unplanned outage of power plants, severe weather conditions, variability of demand and variability of energy production from renewable energy sources;

Amendment
(a) the uncertainty of inputs such as the probability of a transmission capacity outage, the probability of an unplanned outage of power plants, severe weather conditions, variable demand, in particular peaks depending on weather conditions, and variability of energy production from renewable energy sources;

Amendment 33
Proposal for a regulation
Article 8 – paragraph 1 – subparagraph 1 – point b
(b) the probability of the occurrence of a critical situation;

(b) the probability of the occurrence of an electricity crisis;

Justification

Alignment of the text to the definitions provided in Article 2.

Amendment 34

Proposal for a regulation
Article 8 – paragraph 1 – subparagraph 2

Text proposed by the Commission

The methodology shall provide for a probabilistic approach and consider the regional and Union wide context, including to the extent possible non-EU countries within synchronous areas of the Union.

Amendment

The methodology shall provide for a probabilistic approach and consider the regional and Union wide context, including the level of interconnection between Member States and to the extent possible non-EU countries within synchronous areas of the Union.

Amendment 35

Proposal for a regulation
Article 8 – paragraph 2

Text proposed by the Commission

2. Before submitting the proposed methodology, ENTSO-E shall conduct a consultation involving at least the industry and consumer, distribution system operators, national regulatory authorities and other national authorities. ENTSO-E shall duly take into account the results of the consultation.

Amendment

2. Before submitting the proposed methodology, ENTSO-E shall conduct a consultation involving at least the regional coordination centres, industry and consumer organisations, generators, the transmission system operators and the distribution system operators, the competent authorities, the national regulatory authorities, other national authorities and relevant stakeholders. ENTSO-E shall duly take into account the result of the consultation.
Amendment 36
Proposal for a regulation
Article 8 – paragraph 4

Text proposed by the Commission

4. ENTSO-E shall update and improve the methodology regularly in accordance with paragraphs 1 to 3. The Agency or the Commission may request such updates and improvements with due justification. Within six months from the request, ENTSO-E shall submit to the Agency a draft of the proposed changes. Within a period of two months of receiving the draft, the Agency shall amend or approve the changes and publish them on its website.

Amendment

4. ENTSO-E shall update and improve the methodology regularly in accordance with paragraphs 1, 2 and 3. The Agency or the Commission may request such updates and improvements with due justification. Within a period of two months from the request, ENTSO-E shall submit to the Agency a draft of the proposed changes. Within a period of two months of receipt of the draft, the Agency shall approve or amend the changes and publish them on its website.

Amendment 37
Proposal for a regulation
Article 9 – paragraph 1

Text proposed by the Commission

1. All short-term adequacy assessments shall be carried out according to the methodology developed pursuant to Article 8.

Amendment

1. All short-term adequacy assessments, whether carried out at national, regional or Union level, shall be carried out according to the methodology developed pursuant to Article 8.

Justification

Whilst the risk preparedness proposal calls for European-wide and regional assessments of short-term risks, it should be clarified that Member States also maintain the possibility to carry out their own assessments. In fact, according to the System Operation Guidelines (Art. 104), each TSO has to carry out short-term adequacy assessments. This addition also clarifies that all short-term adequacy assessments have to follow the methodology defined according to Art. 8.

Amendment 38
Proposal for a regulation
Article 10 – paragraph 1
1. On the basis of the regional and national electricity crisis scenarios identified pursuant to Articles 6 and 7, the competent authority of each Member State shall establish a risk-preparedness plan, after consulting the electricity and gas undertakings, the relevant organisations representing the interests of household and industrial electricity customers and the national regulatory authority (where it is not the competent authority).

Amendment 39

Proposal for a regulation
Article 10 – paragraph 7

Text proposed by the Commission

7. The Member States shall make the plans public, while ensuring that the confidentiality of sensitive information is preserved, notably information on measures relating to the prevention and mitigation of malicious attacks.

Amendment

1. On the basis of the regional and national electricity crisis scenarios identified pursuant to Articles 6 and 7, the competent authority of each Member State shall establish a risk-preparedness plan, after consulting the electricity and gas undertakings, transmission system operators and distribution system operators, the relevant organisations representing the interests of household and industrial electricity customers and the national regulatory authority (where it is not the competent authority). The confidentiality of sensitive information relating to the prevention and mitigation of attacks shall be ensured. If a competent authority considers that certain sensitive information is not to be disclosed, it shall provide anon-confidential summary thereof.

Justification

The CZ is aware of the strategic importance and sensitivity of the information regarding energy sector. Safety and protection of information must be considered as a key priority in mitigation of malicious attacks. Extent of published information must be at all times seriously considered in regard to the vulnerability and strategic importance of the energy sector.
Amendment 40
Proposal for a regulation
Article 11 – paragraph 1 – point g

Text proposed by the Commission
(g) identify possible non-market measures to be implemented in electricity crisis situations, specifying the trigger, conditions and procedures for their implementation, and indicating how they comply with the requirements set out in Article 15;

Amendment
(g) identify possible non-market measures to be implemented in electricity crisis situations, specifying the trigger, conditions and procedures for their deployment (including any compensation schemes), assessing the degree to which the use of such measures is necessary in dealing with a crisis and indicating how they comply with the requirements set out in Article 15;

Amendment 41
Proposal for a regulation
Article 11 – paragraph 1 – point h

Text proposed by the Commission
(h) provide a detailed load shedding plan, stipulating when loads are to be shed, in what circumstances and what values of load are to be shed. The plan shall specify which categories of electricity users are to receive special protection against disconnection, and justify the need for such protection, notably with regard to public safety and personal security;

Amendment
(h) provide a detailed load shedding plan, stipulating when loads are to be shed, in what circumstances and what values of load are to be shed. The plan shall specify which categories of electricity users are to receive special protection against disconnection, and justify the need for such protection, notably with regard to public safety, personal security and the continuity of essential public services;

Amendment 42
Proposal for a regulation
Article 11 – paragraph 1 – point i a (new)

Text proposed by the Commission

Amendment

(ia) describe the national measures necessary to implement and enforce the regional measures agreed on in
accordance with Article 12;

Amendment 43

Proposal for a regulation
Article 11 – paragraph 1 – point i b (new)

Text proposed by the Commission

Amendment

(ib) take into account the environmental impact of the measures established;

Amendment 44

Proposal for a regulation
Article 12 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) the designation of a regional crisis manager or team;

Justification

‘Co-ordinator’ is a better term but its role will need to be defined

Amendment 45

Proposal for a regulation
Article 12 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) measures to mitigate the impact of a crisis including a simultaneous crisis situation. These shall include regional load-shedding plans and technical, legal and financial arrangements regarding mutual assistance to ensure that electricity can be delivered where it is most needed and in an optimal manner. Such arrangements shall set out, inter alia, the trigger for the assistance, the calculation formula or amount, paying and receiving parties and arbitration rules;

A mechanism of compensation for affected entities shall
also be established in accordance with principles identified pursuant to Article 7a;

**Justification**

To avoid disagreements over compensation, the principles of such compensation should be established by a neutral EU level agency – ACER.

**Amendment 46**

**Proposal for a regulation**  
**Article 12 – paragraph 2**

**Text proposed by the Commission**

2. The regional measures to be included in the plan shall be agreed by the competent authorities of the Member States in the region concerned. At least eight months before the deadline for the adoption or the updating of the plan, the competent authorities shall report on the agreements reached to the Electricity Coordination Group. If the competent authorities concerned were not able to reach an agreement, they shall inform the Commission of the reasons for such disagreement. In such a case the Commission may request the Agency to facilitate the conclusion of an agreement in consultation with ENTSO-E.

**Amendment**

2. The regional measures to be included in the plan shall be agreed upon by the competent authorities of the Member States in the region concerned, in consultation with the relevant regional coordination centres, and before their incorporation in the respective national plans. Member States may ask the Commission to exercise an overall facilitating role in the preparation of such an agreement. The Commission may also request the Agency and ENTSO-E to provide technical assistance to the Member States concerned with a view to facilitating an agreement. At least eight months before the deadline for the adoption or the updating of the plan, the competent authorities shall report to the Electricity Coordination Group on the agreements reached, and on any form of macro-regional cooperation, in accordance with Regulation (EU) ... proposed Governance of the Energy union Regulation. If the competent authorities concerned were not able to reach an agreement, they shall inform the Commission of the reasons for such disagreement. In such a case the Commission shall propose a cooperation mechanism for the conclusion of an agreement on regional measures.
Amendment 47

Proposal for a regulation
Article 12 – paragraph 3

Text proposed by the Commission

3. In cooperation with the regional operational centres and with the involvement of relevant stakeholders, the competent authorities of each region shall carry out annual crisis simulations, in particular testing the communication mechanisms referred to in point (b) of paragraph 1.

Amendment

3. In cooperation with the regional operational centres and with the involvement of relevant stakeholders, the competent authorities of each region shall carry out annual real time response simulations of electricity crisis situations, in particular testing the communication mechanisms referred to in point (b) of paragraph 1.

Justification

This clarification aligns the core text of the proposal with the annex.

Amendment 48

Proposal for a regulation
Article 12 a (new)

Text proposed by the Commission

Commission role in amending the risk preparedness plans

1. Member States shall submit the adopted plans to the Commission. The Commission may take a decision requiring the measure to be amended or withdrawn where it is:

(a) likely to distort the Union internal market;

(b) not necessary or proportionate to ensure security of supply;

(c) likely to jeopardise the security of supply of other Member States; or

(d) be in the contradiction with the Union's climate policy objectives.

The adopted measure shall enter into force only when it is approved by the
Commission or has been amended in accordance with a Commission decision.

Justification

There is a need for a safeguard to ensure that plans agreed do not jeopardise the internal market and security of supply. The Commission should have a mandate to request amendments where necessary.

Amendment 49

Proposal for a regulation
Article 14 – paragraph 2

Text proposed by the Commission

2. Where necessary and possible Member States shall offer each other assistance to prevent or mitigate an electricity crisis. Such assistance shall be subject to compensation.

Amendment

2. Where requested and technically feasible, Member States shall assist each other so as to prevent or mitigate an electricity crisis. Such assistance shall be subject to compensation covering at least the cost of electricity delivered into the territory of the Member State requesting assistance and all other relevant costs incurred when providing assistance, including, if appropriate, assistance prepared without effective activation, and the reimbursement of any compensation resulting from judicial, arbitration or similar proceedings and settlements and related costs of the provided assistance.

Amendment 50

Proposal for a regulation
Article 15 – paragraph 2

Text proposed by the Commission

2. Non-market measures may be activated in a crisis situation and only if all options provided by the market have been exhausted. They shall not unduly distort competition and the effective functioning of the electricity market. They shall be necessary, proportionate, non-

Amendment

2. Non-market measures shall be activated in a crisis situation only as a last resort, and only after all options provided by the market have been exhausted, and when there’s ample evidence that the continuation of market activities could lead to the further deterioration of a crisis situation. Those measures shall not unduly
discriminatory and temporary. distort competition and the effective functioning of the electricity market. They shall be, proportionate, non-discriminatory and temporary. All relevant stakeholders shall be immediately informed of any application of non-market measures.

Amendment 51
Proposal for a regulation
Article 15 – paragraph 3

Text proposed by the Commission

3. Transaction curtailment including curtailment of already allocated cross-zonal capacity, limitation of provision of cross-zonal capacity for capacity allocation or limitation of provision of schedules shall only be initiated in compliance with the rules laid down in Article 14(2) of Electricity Regulation [proposed Electricity Regulation] and the rules adopted to specify this provision.

Amendment

3. Transaction curtailment including curtailment of already allocated cross-zonal capacity, limitation of provision of cross-zonal capacity for capacity allocation or limitation of provision of schedules shall only be initiated in compliance with the rules laid down in Article 14(2) of Electricity Regulation [proposed Electricity Regulation], Article 72 of Commission Regulation(EU) 2015/1222 and the rules adopted to specify this provision.


Justification

To clarify that also other paragraphs of Article 14 deals with capacity allocation, for instance paragraph 3 stipulates that “The maximum capacity of the interconnections and/or the transmission networks affecting cross-border flows shall be made available to market participants”. It is also important to add note to CACM Regulation.

Amendment 52
Proposal for a regulation
Article 16 – paragraph 1
1. As soon as possible and no later than six weeks after declaring an electricity crisis situation, the competent authorities concerned, in consultation with their national regulatory authority (where it is not the competent authority) shall provide the Electricity Coordination Group and the Commission with an evaluation report.

Amendment

1. As soon as possible and no later than six weeks after the electricity crisis situation has ended, the competent authorities concerned, in consultation with their national regulatory authority (where it is not the competent authority) shall provide the Electricity Coordination Group and the Commission with a detailed evaluation report.

Amendment 53

Proposal for a regulation
Article 16 – paragraph 2 – point d

Text proposed by the Commission

(d) an account of the assistance provided to or received from neighbouring Member States and non-EU countries;

Amendment

(d) an account of the assistance prepared (with or without effective activation), provided to or received from neighbouring Member States and non-EU countries;

Amendment 54

Proposal for a regulation
Article 16 – paragraph 2 – point e

Text proposed by the Commission

(e) the economic impact of the electricity crisis and the impact of the measures taken on the electricity sector, in particular the volumes of energy non-served and the level of manual demand disconnection (including a comparison between the level of voluntary and forced demand disconnection);

Amendment

(e) the economic impact of the electricity crisis and the impact of the measures taken on the electricity sector, in particular the volumes of energy non-served, the curtailment of available or allocated cross-zonal capacities, the level of manual demand disconnection (including a comparison between the level of voluntary and forced demand disconnection), and the measures imposed on stakeholders such as power generators, suppliers and other relevant market participants;
Amendment 55
Proposal for a regulation
Article 16 – paragraph 2 – point e a (new)

Text proposed by the Commission

(e a) a thorough justification of the application of non-market measures;

Amendment 56
Proposal for a regulation
Article 16 – paragraph 2 – point f a (new)

Text proposed by the Commission

(f a) an overview of how the future grid should be designed in order to cope with the consequences resulting from identified electricity crisis situations, and describing the structural weaknesses of the system, in compliance with the principles laid down in Directive (EU) ... on Common Rules for the Internal Market in Electricity, COM(2016)0864] and establishing periodic network development plans [text to be aligned with the relevant provisions in the Market Design directive proposal].

Amendment 57
Proposal for a regulation
Article 16 – paragraph 4

Text proposed by the Commission

4. The competent authorities concerned shall present the results of the evaluation to the Electricity Coordination Group.

Amendment

4. The competent authorities concerned shall present the results of the evaluation to the Electricity Coordination Group. Those results shall be reflected in the updates of the risk-preparedness plans.

Amendment 58
Proposal for a regulation  
Article 19 – paragraph 5

Text proposed by the Commission

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

Amendment

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament, the Council and the Official Journal of the European Union.

Amendment 59

Proposal for a regulation
Annex I – part 3 – subpart 3.1 – point c

Text proposed by the Commission

(c) Describe measures to mitigate electricity crisis situations, notably demand-side and supply-side measures, whilst indicating in which circumstances these measures can be used especially the trigger of each measure. Where non-market measures are considered, they must be duly justified in light of the requirements set forth in Article 15;

Amendment

(c) Describe measures to mitigate electricity crisis situations, notably demand-side, network-side and supply-side measures, whilst indicating in which circumstances these measures can be used especially the trigger of each measure. Where non-market measures are considered, they must be duly justified in light of the requirements set forth in Article 15;

Amendment 60

Proposal for a regulation
Annex I – part 3 – subpart 3.1 – point e a (new)

Text proposed by the Commission

(ea) Describe the national measures necessary to implement and enforce the regional measures agreed on in accordance with Article 12.

Amendment

Art. 19 – par. 5, Art. 12
(b) Describe agreed measures to be used in simultaneous crisis situations, including the prioritisation of customers and regional load-shedding plans as well as financial arrangements for assistance in order to prevent or mitigate an electricity crisis. When describing such arrangements include elements such as a definition of a trigger of the assistance, calculation formula or amount, paying and receiving parties and the rules for arbitration. Specify when and how the regional load shedding plans shall be triggered;

Amendment 62

Proposal for a regulation
Annex I – part 5 – paragraph 1 – point d a (new)

Text proposed by the Commission

(d a) transmission and distribution system operators.